Message Text

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PAGE 01 OTTAWA 00811 052223Z

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E.O. 11652: N/A

TAGS: EFIN, EIND, SCUL, CA

SUBJ: ADDITIONAL GOC ACTIONS AFFECTING PUBLISHING

INDUSTRY

REF: OTTAWA 0272, JAN 23, 1975

1. IN ADDITION TO THE TAX CHANGES WHICH THE GOC HAS ANNOUNCED IN RELATION TO THE TIME/RIDER'S DIGEST SITUATION, DEPARTMENT SHOULD BE AWARE OF OTHER GOC ACTIONS PROTECTING THE LOCAL PUBLISHING INDUSTRY FROM FOREIGN (I.E., UNITED STATES) COMPETITION.

2. ON MARCH 3 SECRETARY OF STATE FUALKNER ANNOUNCED THAT SECTIONS 27 AND 28 OF THE COPYRIGHT ACT WILL BE APPLIED TO PREVENT THE ILLEGAL IMPORTATION INTO CANADA OF FOREIGN EDITIONS OF CANADIAN BOOKS. (FOR TEXT SEE REVISED STATUTES OF CANADA, 1970, VOL. II, CHAPTER 30.) ISSUE HERE INVOLVES COMPLAINTS BY CANADIAN AUTHORS THAT REMAINDER COPIES OF THEIR US EDITIONS BEING IMPORTED BY CERTAIN CANADIAN BOOK STORES AND SOLD AT PRICES LOWER THAN THOSE OF THE CANADIAN EDITIONS. IMPLEMENTATION THIS ANNOUNCEMENT WILL NOT BE RAPID AS AUTHORS WILL FIRST HAVE TO ESTABLISH LEGAL TITLE TO COPYRIGHTS AND APPLY FOR ACTION IN INDIVIDUAL CASES.

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PAGE 02 OTTAWA 00811 052223Z

3. ON JANUARY 27 FAULKNER IN WIDE RANGING SPEECH TO

CONFERENCE ON THE STATE OF ENGLISH LANGUAGE PUBLISHING IN CANADA AT TRENT UNIVERSITY, PETEBOROUGH, ONTARIO ANNOUNCED (1) EXPANSION CANADA COUNCIL FUNDS FROM \$4 TO \$5.5 MILLION TO INCREASE DIRECT SUBSIDIES CANADIAN PUBLISHING INDUSTRY, (2) SUPPORT FOR VARIETY OF INDUSTRY ENDEAVORS IMPROVE DOMESTIC MARKETING ARRANGEMENTS FOR CANADIAN BOOKS. (3) ENCOURAGEMENT FOR INDUSTRY PRESSURES ON PROVINCIAL GOVERNMENTS STIMULATE SALE OF CANADIAN BOOKS, (4) GENERAL REVISION OF COPYRIGHT ACT WITH NO DETAILS GIVEN, AND (5) APPLICATION OF FOREIGN INVESTMENT REVIEW ACT (FIRA) TO PREVENT TAKE OVERS OF SMALLER (I.E., GROSS ASSETS UNDER \$250,000 OR GROSS SALES UNDER \$3 MILLION) PUBLISHING HOUSES.

4. FAULKNER NOTED THAT FIRA ITSELF DOES EXEMPT SUCH SMALL FIRMS GENERALLY AND WOULD ALLOW TAKE OVERS TO OCCUR WITHOUT HAVING BEEN CONSIDERED BY THE GOC. HE THEN ADDED: "WHERE SMALLER HOUSES ARE CONCERNED, THE GOVERNMENT DOES CONSIDER THAT FOREIGN-CONTROLLED HOUSES SHOULD SUBMIT VOLUNTARILY TO SCRUTINY BY THE GOVERNMENT IN CIRCUMSTANCES WHERE THE SCREENING MECHANISM WOULD NOT NORMALLY BE CALLED FOR UNDER THE ACT. IF ANY TAKE-OVERS OR TRANSACTIONS WERE TO OCCUR AGAINST THE WISHES OF THE GOVERNMENT OR INTERESTS OF THE INDUSTRY, THE GOVERNMENT WILL NOT HESITATE TO TAKE MEASURES TO ELIMINATE THE THESHOLD LIMIT AS IT WOULD APPLY TO PUBLISHING."

5. COPIES OF RELEVANT SECTIONS OF CANADIAN STATUTES AS WELL AS FAULKNER'S ANNOUNCEMENT OR MARCH 3 BEING REPRODUCED AND FORWARDED TO STATE EUR/CAN, EB/OT/TA, AS WELL AS TO COMMERCE (IEPR/OT0/IND). PORTER

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